

Third Amendment to the IME Professional Services — Pharmacy Medical Services Contract

This Amendment to Contract Number MED-10-001-D is effective as of December 1, 2014, between the Iowa Department of Human Services (Agency) and Goold Health Systems, Inc (Contractor).

Section 1: Amendment to Contract Language

The Contract is amended as follows:

Revision 1. The RFP Scope of Work, which is incorporated into the Contract by reference, is hereby amended by adding the following text as new Section 6.3.5:

6.3.5 CPOP Operations

The Contractor shall support operations of the Complex Pharmaceutical Oversight Program ("CPOP"). CPOP is increased, targeted oversight of clinically complex and high-cost drugs and their recipients.

6.3.5.1 State Responsibilities

Agency staff will:

- a. Provide policy direction and administrative decisions regarding the project as planning efforts mature.
- b. Monitor the Contractor's CPOP Operations performance.

6.3.5.2 Contractor Responsibilities

Contractor duties include but are not limited to:

- a. Provide complex pharmaceutical care management through interfacing and coordinating with providers, members and other vendors to optimize patient therapy and ensure the state receives the most value, and the member's the best outcomes, for the healthcare expenditures.
- b. Provide two new staff, one full-time equivalent (FTE) Pharmacist and one full-time Pharmacy Technician, to work exclusively in addressing CPOP Operations.
- c. Provide support staff including project management, medical director, senior analyst and data analyst to support CPOP Operations.
- d. Provide the following resources to support CPOP, including Med management tool site license, clinical licensing, data management and analysis servers.
- e. Submit quarterly and annual reports in an Agency-approved format detailing initiatives. The reports must include at a minimum, number of members enrolled, medications covered, number of contacts, disease states covered and direct cost avoidance.
- f. Complete required reports accurately and timely. Quarterly reports are due fifteen business days following the end of the quarter and annual reports are due thirty business days following the end of the state fiscal year. Medical claims reporting shall begin six months after program initiation due to claims lag.

6.3.5.3 Performance Standards

- a. Contractor shall demonstrate annual cost avoidance in the total outlay for complex pharmaceuticals (including an explanation of the Agency-approved methodology for calculating savings). The Pharmacy Medical Services contractor shall provide total cost avoidance as follows:
1. \$300,000 in total cost avoidance in SFY 2015
 2. \$2,000,000 in total cost avoidance in SFY 2016

Revision 2. Section 7.1, Payment Terms and Compensation, is hereby amended by adding the following text at the end of the Section:

Notwithstanding the above, for the Scope of Work set forth in Section 6.3.5, Contractor shall be entitled to receive the following:

CPOP Operations:

Seven (7) monthly payments of \$39,769.57 for services rendered December 2014 through June 2015.

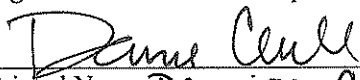
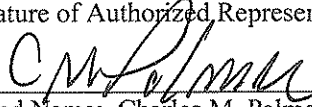
Twelve (12) monthly payments of \$39,769.50 for services rendered July 2015 through June 2016.

Section 2: Ratification & Authorization

Except as expressly amended and supplemented herein, the Contract shall remain in full force and effect, and the parties hereby ratify and confirm the terms and conditions thereof. Each party to this Amendment represents and warrants to the other that it has the right, power, and authority to enter into and perform its obligations under this Amendment, and it has taken all requisite actions (corporate, statutory, or otherwise) to approve execution, delivery and performance of this Amendment, and that this Amendment constitutes a legal, valid, and binding obligation.

Section 3: Execution

IN WITNESS WHEREOF, in consideration of the mutual covenants set forth above and for other good and valuable consideration, the receipt, adequacy and legal sufficiency of which are hereby acknowledged, the parties have entered into the above Amendment and have caused their duly authorized representatives to execute this Amendment.

Contractor, Goold Health Systems, Inc		Agency, Iowa Department of Human Services	
Signature of Authorized Representative:		Signature of Authorized Representative:	
			
Printed Name: <u>Denise Ceule</u>		Printed Name: Charles M. Palmer	
Title: <u>Asst. Secretary</u>		Title: Director	
Date: <u>11/20/14</u>		Date: <u>12-24-14</u>	